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Presentment Date: April 20, 2011 at 12:30 p.m. (ET) Objection Deadline: April 20, 2011 at 12:00 p.m. (ET)

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Sarah Link Schultz

Counsel to the TSC Debtors

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

In re:)	Chapter 11
TERRESTAR CORPORATION, et al.,1)	Case No. 11-10612 (SHL)
Debtors.)	Jointly Administered
)	

NOTICE OF PRESENTMENT OF STIPULATION AND ORDER RESOLVING OBJECTION OF COLBECK CAPITAL MANAGEMENT, LLC

PLEASE TAKE NOTICE that upon the *Stipulation and Order Resolving Objection of Colbeck Capital Management, LLC* (the "*Stipulation*"), which Stipulation includes the reasons underlying the requested relief, the undersigned counsel to the above-captioned debtors and debtors in possession (collectively, the "*TSC Debtors*") intend to present the Stipulation for signature to the Honorable Sean H. Lane, United States Bankruptcy Judge, on April 20, 2011 at 12:30 p.m. (prevailing Eastern Time).

¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal taxpayer-identification number, are: (a) TerreStar Corporation [6127] and TerreStar Holdings Inc. [0778] (collectively, the "February Debtors"); (b) TerreStar New York Inc. [6394]; Motient Communications Inc. [3833]; Motient Holdings Inc. [6634]; Motient License Inc. [2431]; Motient Services Inc. [5106]; Motient Ventures Holding Inc. [6191]; and MVH Holdings Inc. [9756] (collectively, the "Other TSC Debtors" and, collectively with the February Debtors, the "TSC Debtors").

PLEASE TAKE FURTHER NOTICE that any responses to the Stipulation must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure, the Local Rules of the Bankruptcy Court and the Bankruptcy Court's Order Pursuant to Sections 105(a) and (d) of the Bankruptcy Code and Bankruptcy Rules 1015(c), 2002(m) and 9007 Implementing Certain Notice and Case Management Procedures [Docket No. 12] (the "Case Management Order"), shall be filed with the Bankruptcy Court either (a) electronically in accordance with General Order M-399 (which can be found at http://www.nysb.uscourts.gov) by registered users of the Bankruptcy Court's filing system, or (b) on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect, or any other Windows-based word processing format (with a hard copy delivered directly to Chambers), in accordance with General Order M-182 (which can be found at http://www.nysb.uscourts.gov), and shall be served in accordance with General Order M-399 on: (a) counsel to the TSC Debtors, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036, Attn: Ira S. Dizengoff, Esq., Arik Preis, Esq. and Sarah Link Schultz, Esq.; (b) the Office of the United States Trustee for the Southern District of New York, Attn: Susan Golden, Trial Attorney; (c) counsel to the statutory committee of unsecured creditors appointed in these chapter 11 cases (the "Committee"), or until such time as any such committee is appointed, those creditors holding the 30 largest general unsecured claims against the TSC Debtors on a consolidated basis; (d) NexBank, SSB as agent for the lenders under the Bridge Loan Agreement; (e) Weil, Gotshal & Manges LLP as counsel to Harbinger Capital Partners LLC and certain of its managed and affiliated funds; (f) Wachtell, Lipton, Rosen & Katz as counsel to Highland Capital Management, L.P. and certain of its managed and affiliated funds; (g) Quinn Emanuel Urquhart & Sullivan, LLP as counsel to Solus Alternative Asset Management, L.P.; (h) NexBank, SSB as agent for the TSC Debtors' postpetition debtor-in-possession financing; (i)

Quinn Emanuel Urquhart & Sullivan, LLP as counsel to the agent for the TSC Debtors' post-petition debtor-in-possession financing; (j) Schulte Roth & Zabel LLP as counsel to Colbeck Capital Management, LLC; (k) the Internal Revenue Service; (l) the Securities and Exchange Commission; (m) the United States Attorney for the Southern District of New York; (n) the Federal Communications Commission; and (o) parties in interest who have filed a notice of appearance in these cases pursuant to Bankruptcy Rule 2002, in each case so as to be received no later than April 20, 2011 at 12:00 p.m. (prevailing Eastern time) (the "Response Deadline").

PLEASE TAKE FURTHER NOTICE that that unless a written response to the Stipulation with proof of service is filed with the Court by the Response Deadline, there will not be a hearing and the Stipulation may be approved by the Court.

PLEASE TAKE FURTHER NOTICE that if a written response with respect to the Motion is timely filed and served in accordance with the Case Management Order and this Notice, the Court will hear the Stipulation, on a date to be determined, at the United States Bankruptcy Court for the Southern District of New York, Honorable Sean H. Lane, United States Bankruptcy Judge, Alexander Hamilton Custom House, One Bowling Green, New York, New York, 10004, Room 701. The moving and responding parties are required to attend the hearing, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

New York, New York Dated: April 13, 2011

/s/ Ira S. Dizengoff

Arik Preis

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Presentment Date: April 20, 2011 at 12:30 p.m. (ET) Objection Deadline: April 20, 2011 at 12:00 p.m. (ET)

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Sarah Link Schultz

Counsel to the TSC Debtors

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

-	_)	
In re:)	Chapter 11
TERRESTAR CORPORATION, et al., ²)	Case No. 11-10612 (SHL)
Debtors.)	Jointly Administered
)	

STIPULATION AND ORDER RESOLVING OBJECTION OF COLBECK CAPITAL MANAGEMENT, LLC

It is hereby stipulated and agreed (the "Stipulation") between the TSC Debtors, Colbeck Capital Management, LLC ("Colbeck"), Solus Alternative Asset Management, L.P. ("Solus"), Harbinger Capital Partners LLC ("Harbinger"), and Highland Capital Management, L.P. ("Highland" and together with Solus and Harbinger, the "Bridge Lenders"; the TSC Debtors, Colbeck, and each of the Bridge Lenders are each a "Party" and, collectively, the "Parties") by and through their respective counsel or representatives as follows:

² The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal taxpayer-identification number, are: (a) TerreStar Corporation [6127] and TerreStar Holdings Inc. [0778] (collectively, the "February Debtors"); (b) TerreStar New York Inc. [6394]; Motient Communications Inc. [3833]; Motient Holdings Inc. [6634]; Motient License Inc. [2431]; Motient Services Inc. [5106]; Motient Ventures Holding Inc. [6191]; and MVH Holdings Inc. [9756] (collectively, the "Other TSC Debtors" and, collectively with the February Debtors, the "TSC Debtors").

WHEREAS, on October 19, 2010 (the "*October Petition Date*"), each of the Other TSC Debtors filed a petition with this Court under chapter 11 of the Bankruptcy Code.

WHEREAS, on February 16, 2011 (the "February Petition Date"), each of the February Debtors filed a petition with this Court under chapter 11 of the Bankruptcy Code.

WHEREAS, following the October Petition Date but prior to the February Petition Date, the February Debtors and Colbeck explored a potential debtor in possession financing arrangement (the "Colbeck DIP Financing").

WHEREAS, as part of those negotiations, on or about January 28, 2011, the February Debtors and Colbeck entered into that certain Fee and Expense Reimbursement Letter pursuant to which the February Debtors agreed to provide Colbeck, among other things, a \$125,000 work fee (the "Work Fee"), which obligation was evidenced by a secured Promissory Note dated January 28, 2011 (the "Work Fee Note"), and a \$35,000 expense deposit (the "Initial Deposit").

WHEREAS, on or about February 1, 2011, Colbeck issued that certain DIP & Confirmation Financing Commitment (the "DIP Commitment Letter") pursuant to which Colbeck committed to provide the February Debtors with a debtor in possession financing facility in the principal amount of \$15,000,000, which DIP Commitment Letter was executed by the February Debtors. Under the DIP Commitment Letter, the February Debtors agreed to provide Colbeck with (a) an additional \$300,000 expense deposit (the "Additional Deposit") and a \$450,000 commitment fee (the "Commitment Fee"), which obligations were evidenced by a secured Promissory Note dated February 1, 2011 (the "DIP Fee Note" and together with the Work Fee Note, the "Promissory Notes").

WHEREAS, prior to consummating the Colbeck DIP Financing, the February Debtors opted to enter into a debtor in possession financing facility with another party.

WHEREAS, on the February Petition Date, the February Debtors and Motient Ventures Holding Inc. (the "*Guarantor*") filed the Motion of the February Debtors and the Guarantor for Order (A) Authorizing the February Debtors to Obtain Postpetition Financing and (B) Authorizing the February Debtors to Use Cash Collateral [Docket No. 4] (the "*DIP Motion*").

WHEREAS, on March 3, 2011, Colbeck filed a limited objection (the "*DIP Objection*") to the DIP Motion.

WHEREAS, on March 7, 2011, Solus filed a response to the DIP Objection challenging the validity of the Promissory Notes and asserting potential claims against Colbeck for tortuous interference with contract (the "Solus Response").

WHEREAS, in an effort to resolve the DIP Objection, the claims of Colbeck against the February Debtors, and the claims and issues raised in the Solus Response, the Parties engaged in arm's-length and good-faith negotiations and have reached an agreement resolving the DIP Objection, Colbeck's claims against the TSC Debtors, and the claims and issues raised in the Solus Response for all purposes.

WHEREAS, Colbeck has provided copies of the invoices documenting the reasonable and actual fees and out of pocket expenses incurred by Colbeck in connection with the Colbeck DIP Financing to the Debtors and counsel to the Bridge Lenders, and the parties have agreed that the aggregate amount of fees and expenses subject to reimbursement is \$107,380.00 (the "Approved Reimbursement Amount").

NOW THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree and stipulate as follows:

- 1. <u>Settlement Payment</u>. Within two (2) business days after the entry of a final order by this Court approving this Stipulation, in resolution of, and in full and final satisfaction of, all claims (as such term is defined in Title 11 of the United States Code) Colbeck may hold against any of the TSC Debtors and their estates, including but not limited to, the Promissory Notes, upon entry of a final order approving this Stipulation, the February Debtors shall pay the aggregate amount of \$272,380 (the "Settlement Payment") to Colbeck, representing \$200,000 plus reimbursement for the Approved Reimbursement Amount net of the Initial Deposit. The Settlement Payment shall be made by wire transfer of immediately available funds to an account designated in writing by Colbeck.
- Release of Liens. Upon entry of a final order approving this Stipulation, any and all liens, security interests and other interests Colbeck may hold in any of the TSC Debtors' property, including, but not limited to, any such interests providing assurance of payment on the Promissory Notes, shall automatically be deemed ineffective and void without further action of the parties. Within five (5) days after the receipt of the Settlement Payment by Colbeck, Colbeck shall take all reasonable actions necessary to effectuate a release of any liens, security interests or other interests Colbeck may hold in any of the TSC Debtors' property.
- 3. <u>Mutual Releases</u>. This Stipulation resolves all outstanding issues relating to the Colbeck DIP Financing, including, but not limited to, the Work Fee, the Additional Deposit, the Commitment Fee, and the Promissory Notes. Except as specifically provided in this Stipulation, upon the receipt of the Settlement Payment by Colbeck, each of the Parties does for itself and its successors, assigns, affiliated companies, agents, employees, and anyone bringing claims by, through, or on behalf of any of them, forever release and discharge each other, as well as their parents, predecessors, successors, assigns, representatives, affiliates, subsidiaries, heirs,

executors, administrators, attorneys and present or former officers, directors, employees, members, and direct or indirect shareholders of and from any and all manner of action and actions, cause and causes of action, suits, debts, sums of money, accounts, reckonings, bonds, bills, covenants, contracts, controversies, agreements, promises, variances, trespasses, judgments, executions, claims, proofs of claim, damages, consequential damages, adverse tax consequences and demands whatsoever in law or in equity, whether known, unknown, or hereafter becoming known, or by reason of any matter, cause or thing arising from events prior to the date hereof, in connection with the matters related to the Colbeck DIP Financing and any agreements related to the Colbeck DIP Financing.

- 4. <u>Neutral Construction of the Stipulation</u>. This Stipulation is a product of negotiation among the Parties hereto and represents the jointly conceived, bargained for, and agreed upon language mutually determined by the Parties to express their intentions in entering into this Stipulation. Any ambiguity or uncertainty in this Stipulation shall be deemed to be caused by or attributable to the Parties hereto collectively. In any action to enforce or interpret this Stipulation, the Stipulation shall be construed in a neutral manner, no term or provision of this Stipulation, or the Stipulation as a whole, shall be construed more or less favorably to any one Party to this Stipulation based upon such party's role in drafting this Stipulation.
- 5. <u>Stipulation Binding on Successors</u>. The terms and conditions of this Stipulation shall be binding on the Parties hereto and their successors and assigns.
- 6. <u>Choice of Law.</u> The validity, construction, and enforcement of this Stipulation shall be governed by the law of the State of New York. If legal action is initiated relative to this Stipulation or rights or obligations of the Parties thereunder, the Parties stipulate that such action must be initiated, maintained, and continued in the Bankruptcy Court.

- 7. <u>Headings</u>. The headings set forth herein are inserted for convenience of the Parties only and shall not be used to interpret, construe, or in any way affect the meaning of the terms and provisions of this Stipulation.
- 8. <u>Power of Representatives</u>. Any Party executing this Stipulation in a representative capacity is duly authorized and empowered to do so.
- 9. <u>Counterpart Signatures</u>. This Stipulation may be signed in counterparts, each of which taken together shall constitute an original.
- 10. Entire Agreement and Integration. This Stipulation constitutes the entire agreement between the Parties pertaining to the subject matter hereof. Except as expressly provided in this Stipulation, this Stipulation is the final written expression and complete and exclusive statement of all the agreements, conditions, promises, and covenants among the Parties with respect to the specific subject matter hereof, and supersedes all prior or contemporaneous agreements, negotiations, representations, understandings, and discussions among the Parties and/or their respective counsel with respect to the subject matter covered hereby. Any amendment or modification to this Stipulation, in order to be legally binding, must be a writing specifically referring to the Stipulation and signed by the duly authorized representative of all Parties hereto.

[Signature Page Follows]

New York, New York Dated: April 2, 2011

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New York, New York Dated: April 13, 2011

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New York, New York Dated: April (3, 2011

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SO ORDERED THIS	_ DAY OF	, 2011
HON. SEAN H. LANE		
INITED STATES RANI	KRHPTCV IIID	GE